

Pension Benefit Guaranty Corporation

§ 4219.11

§ 4219.2 Definitions.

(a) The following terms are defined in § 4001.2 of this chapter: employer, ERISA, IRS, mass withdrawal, multi-employer plan, PBGC, plan, and plan year.

(b) For purposes of this part:

Initial withdrawal liability means the amount of withdrawal liability determined in accordance with sections 4201 through 4225 of title IV without regard to the occurrence of a mass withdrawal.

Mass withdrawal liability means the sum of an employer's liability for *de minimis* amounts, liability for 20-year-limitation amounts, and reallocation liability.

Mass withdrawal valuation date means—

(1) In the case of a termination by mass withdrawal, the last day of the plan year in which the plan terminates; or

(2) in the case of a withdrawal of substantially all employers pursuant to an agreement or arrangement to withdraw, the last day of the plan year as of which substantially all employers have withdrawn. *Nonforfeitable benefit* means a benefit described in § 4001.2 of this chapter plus, for purposes of this part, any adjustable benefit that has been reduced by the plan sponsor pursuant to section 305(e)(8) of ERISA and section 432(e)(8) of the Code that would otherwise have been includable as a nonforfeitable benefit.

Reallocation liability means the amount of unfunded vested benefits allocated to an employer in the event of a mass withdrawal.

Reallocation record date means a date selected by the plan sponsor, which shall be not earlier than the date of the plan's actuarial report for the year of the mass withdrawal and not later than one year after the mass withdrawal valuation date.

Redetermination liability means the sum of an employer's liability for *de minimis* amounts and the employer's liability for 20-year-limitation amounts.

Unfunded vested benefits means the amount by which the present value of a plan's vested nonforfeitable benefits (as defined for purposes of this section) exceeds the value of plan assets (including claims of the plan for unpaid

initial withdrawal liability and redetermination liability), determined in accordance with section 4281 of ERISA and part 4281, subpart B.

(c) For purposes of subpart B—

Withdrawal means a complete withdrawal as defined in section 4203 of ERISA.

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Subpart B—Redetermination of Withdrawal Liability Upon Mass Withdrawal

§ 4219.11 Withdrawal liability upon mass withdrawal.

(a) *Initial withdrawal liability.* The plan sponsor of a multiemployer plan that experiences a mass withdrawal shall determine initial withdrawal liability pursuant to section 4201 of ERISA of every employer that has completely or partially withdrawn from the plan and for whom the liability has not previously been determined and, in accordance with section 4202 of ERISA, notify each employer of the amount of the initial withdrawal liability and collect the amount of the initial withdrawal liability from each employer.

(b) *Mass withdrawal liability.* The plan sponsor of a multiemployer plan that experiences a mass withdrawal shall also—

(1) Notify withdrawing employers, in accordance with § 4219.16(a), that a mass withdrawal has occurred;

(2) Within 150 days after the mass withdrawal valuation date, determine the liability of withdrawn employers for *de minimis* amounts and for 20-year-limitation amounts in accordance with §§ 4219.13 and 4219.14;

(3) Within one year after the reallocation record date, determine the reallocation liability of withdrawn employers in accordance with § 4219.15;

(4) Notify each withdrawing employer of the amount of mass withdrawal liability determined pursuant to this subpart and the schedule for payment of such liability, and demand payment of and collect that liability, in accordance with § 4219.16; and

(5) Notify the PBGC of the occurrence of a mass withdrawal and certify,